



# STATE OF IOWA

---

TERRY E. BRANSTAD, GOVERNOR  
KIM REYNOLDS, LT. GOVERNOR

## STEM ADVISORY COUNCIL BROADBAND COMMITTEE

Co-Chair John Carver, Superintendent, Howard-Winneshiek Community School District  
Co-Chair Robert von Wolfradt, Chief Information Officer, State of Iowa  
Amy Kuhlert, Program Manager, Connect Iowa  
Robert Denson, President, Des Moines Area Community College  
Dave Duncan, President, Iowa Telecommunication Association  
Philip Groner, Iowa Communication Network  
Karl Hehr, Director of Technology Services, Ames Community Schools District  
Galen Howsare, Chief Financial Officer, Iowa Association of School Boards  
Karen Randall, Keystone Area Education Association  
Michael Sadler, Assistant VP for Public Policy  
Larry Siegel, Iowa School Finance and Information System Services  
Jeff Weld, Executive Director, Governor's STEM Advisory Council  
Josh Byrnes, State Representative, District 14  
Steven Sodders, State Senator, District 36

September 19, 2013

The STEM Advisory Council Broadband Committee is soliciting input from stakeholders all across Iowa who can offer insights into the unique broadband challenges facing the state, as well as provide thoughts on possible solutions. This input will help enhance efforts in developing effective policy recommendations to expand broadband access, adoption and use for all Iowans.

To offer comments, please address the questions below. All responses are considered public information, so please do not include confidential information in your response.

Name: Todd R. Kielkopf

Organization: Indianola Municipal Utilities & Iowa Association of Municipal Utilities Broadband Committee

Address: 111 South Buxton, Indianola, IA

E-mail: [todd.kielkopf@pobox.com](mailto:todd.kielkopf@pobox.com)

Phone: 515-961-9444

- I. What barriers or other issues can you identify that may impede the increase of broadband access, adoption and use across the state?

Access is limited due to a) economics of serving a rural population, and b) rotating technology cycle leadership between often only 1-2 last-mile carriers who have an economic incentive to extend re-investment cycles as long as possible because they have either a monopoly or a duopoly.

- II. If you had to choose one *primary* barrier, what would that be?

(b) above. Large companies don't have the incentive to invest in services that do anything more than at a level just above the status quo until there is adequate competition. It's just the nature of this high fixed cost/low marginal revenue business model. Yet most Iowa regions don't have a large enough customer base to support multiple carriers due to our rural nature.



# STATE OF IOWA

---

TERRY E. BRANSTAD, GOVERNOR  
KIM REYNOLDS, LT. GOVERNOR

## STEM ADVISORY COUNCIL BROADBAND COMMITTEE

Co-Chair John Carver, Superintendent, Howard-Winneshiek Community School District  
Co-Chair Robert von Wolfradt, Chief Information Officer, State of Iowa  
Amy Kuhlers, Program Manager, Connect Iowa  
Robert Denson, President, Des Moines Area Community College  
Dave Duncan, President, Iowa Telecommunication Association  
Philip Groner, Iowa Communication Network  
Karl Hehr, Director of Technology Services, Ames Community Schools District  
Galen Howsare, Chief Financial Officer, Iowa Association of School Boards  
Karen Randall, Keystone Area Education Association  
Michael Sadler, Assistant VP for Public Policy  
Larry Siegel, Iowa School Finance and Information System Services  
Jeff Weld, Executive Director, Governor's STEM Advisory Council  
Josh Byrnes, State Representative, District 14  
Steven Soddors, State Senator, District 36

### III. What recommendations do you have to overcome these barriers?

Iowa Code Chapter 28E allows for public/private partnerships today without modification. Municipal utilities (and extending those public entities outside city limits) should be encouraged to establish these partnerships where infrastructure needs built, particularly fiber. Private carriers can offer services on those lines inside those public/private partnerships. Financing for low-density areas can be derived using bonds issued via the Iowa Finance Authority if that become permissible. Last-mile fiber has a long enough life span that 15-year amortization could be used, thereby lowering the cost of service. Income and property tax incentives could be made available for private service providers that submit to the requirements of a public/private partnership as long as predatory pricing is prohibited. These public incentives (financing mechanism & tax) should not be used to deploy networks that result in a monopoly in the short-term or long-term without price caps and minimum services that change with market needs via an oversight process at the IUB.

### IV. What are your expectations for future access needs?

100Mb service within 10 years to receive the most benefit out of a connection.

### V. Other comments?

Community colleges should lead the way on Internet use/training and should be provided funds to hold that training in rural areas.

Local zoning and ROW management should remain under local control without unfunded mandates for towers & conduit. The statewide (vs. local) franchise model now used by cable TV providers has failed to deliver even basic service in many parts of even relatively high-dense parts of communities like Indianola, let alone broadband service. Build-out requirements aren't the answer either, but we can't expand the model to where more public property is used by private enterprise without compensation to the entire public that purchases & owns the ROW or landscape unless there is local control over how & when that occurs. Current providers are not even abiding by local rules (like pole attachments) now so giving them less accountability (at the state level) won't move things forward.